

**BRUSHRESOURCES**

A Brush Engineered Materials Inc. Company

Brush Resources Nnc.  
P.O Box 815  
Delta, Utah 84624  
Tel: 435-864-2701  
Fax: 435-864-4004

November 30, 2006

Ms. Susan M. White  
Minerals Regulatory Program Coordinator  
Utah Division of Oil Gas and Mining  
Salt Lake City, Utah 84114-5801

Re: Request for Final Site and Bond Release of the Hogs Back Project, Juab County, Utah, M/023/053

Dear Ms. White:

Attached to this letter are the following documents:

- Completed Application for Site and/or Bond Release (Form MR-Site/Bond Release; November, 2005)
- Map of the Hogs Back Project displaying post mining contours and reclamation treatments
- Site inspection report dated October 26, 2006 (without attached photos)
- Letter of partial release of surety dated August 30, 2004 (without attached estimate)

The company accepts the recommendation to voluntarily reseed the one acre area of the access road as contemplated in the inspection report. This treatment will be completed during the upcoming winter months. The appropriate seed mix, application rate and treatment methods will be discussed with the division prior to commencing the work.

Please approve the application for release of the site from further reclamation liability and release the remaining bond. If you have any questions regarding this letter or the attached documents, please contact John Wagner by telephone at (435) 864-5556 ext. 105 during regular business hours.

Sincerely,



Alex Boulton  
President, Brush Resources

Cc: John Wagner

RECEIVED

DEC 06 2006

DIV. OF OIL, GAS & MINING

### Application for Site and/or Bond Release

Operator/Permittee: <u>Brush Resources Inc.</u>	
Mine/Project Name: <u>Hogs Back Mine</u>	
File Number: <u>M023053</u>	
Check One: <input checked="" type="checkbox"/> Large Mine <input type="checkbox"/> Small Mine <input type="checkbox"/> Exploration	
Check one: <input type="checkbox"/> Partial Release of a <u>portion</u> of the mine site: Acres to be released: _____ Acres Remaining: _____ Specify Area: _____	
<input type="checkbox"/> Full Release of a <u>portion</u> of the mine site:                      Acres to be released: _____ Specify Area: _____	
<input type="checkbox"/> Partial Release of entire mine site:                      Total Acres to be released: _____ (Backfilling and grading are completed)	
<input checked="" type="checkbox"/> Full Release of entire mine site:                      Total Acres to be released: <u>7.3</u> (Vegetation established and survived three growing seasons)	
Amount of Existing Surety: <u>\$7,700</u>	
Amount of Surety requested for release: <u>\$7,700</u>	
Reason for Bond Release Request: <u>The inspection of 10/19/06 recommended "... that the site be released from further revegetation responsibilities..." The retained bond amount was for revegetation purposes.</u>	
Complete this section if the money released from this application is to be used as surety for future disturbance.	
Release bond on: _____ Acres (specify area) _____	
Apply Bond to: _____ Acres (specify area) _____	
Check Applicable Boxes	<b>DESCRIPTION of RECLAMATION ACTIVITIES COMPLETED</b> (Describe any variance(s) that have been granted, date activity completed)
<input type="checkbox"/> Wells Plugged / shafts sealed	
<input checked="" type="checkbox"/> Disposal of debris & other materials incident to mining	<u>Site cleaned up after final reclamation in 2003.</u>
<input type="checkbox"/> Drainages, reestablished & stable	

	Structures demolished / removed	
X	Regrading Completed – Slopes, pits, highwalls in stable condition	All regrading was released in 2004.
X	Meets Postmining Land Use (Indicate Landuse)	Grazing and wildlife habitat.
X	Roads Reclaimed	All roads and ramps reclaimed in 2003.
X	Dams, Impoundments, Ditches, Pits reclaimed	Check dam left in place; pit varianced.
X	Topsoil respread – amendments added	Topsoil & manure spread in 1997, 1999 & 2003.
X	Erosion Controlled	Monitoring from 1997 thru 2006, no erosion.
X	Vegetation meets 70% of premining cover and has survived three years for full bond release – or has survived one year growing season to maintain small mine status.	Three growing seasons complete, site was inspected on 10/19/06 and release from revegetation was recommended.

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments and obligations, herein.

Alex Boulton

Print Name

*Alex Boulton*, President

Sign Name, Position

11/30/06

Date

**Return to:**

State of Utah  
Department of Natural Resources  
Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
Phone: (801) 538-5291 Fax: (801) 359-3940

**FOR DOGM USE ONLY:**

File #: M/ /

Approved: \_\_\_\_\_

Bond Adjustment: from (\$) \_\_\_\_\_  
to \$ \_\_\_\_\_

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JON M. HUNTSMAN, JR.  
Governor

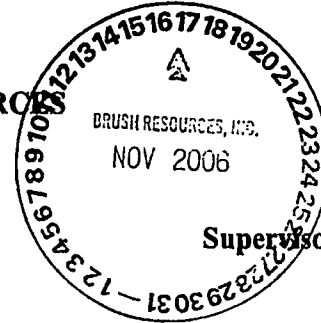
GARY R. HERBERT  
Lieutenant Governor

**State of Utah**  
**DEPARTMENT OF NATURAL RESOURCES**  
**Division of Oil, Gas & Mining**

MICHAEL R. STYLER  
Executive Director

JOHN R. BAZA  
Division Director

**Inspection Report**  
**Minerals Regulatory Program**  
Report Date October 26, 2006



Supervisor

**Mine Name:** Hogsback  
**Operator Name:** Brush Resources

**Permit number:** M0230053  
**Inspection Date:** October 19, 2006  
**Time:** 9:20 AM-12:50 PM

**Inspector(s):** Paul Baker  
**Other Participants:** John Wagner and Rob Dalton  
**Mine Status:** Reclaimed

**Weather:** Mostly clear, 40-50s

**Elements of Inspection**

1. Permits, Revisions, Transfer, Bonds
2. Public Safety (shafts, adits, trash, signs, highwalls)
3. Protection of Drainages / Erosion Control
4. Deleterious Material
5. Roads (maintenance, surfacing, dust control, safety)
6. Concurrent Reclamation
7. Backfilling/Grading (trenches, pits, roads, highwalls, shafts, drill holes)
8. Water Impoundments
9. Soils
10. Revegetation
11. Air Quality
12. Other

Evaluated      Comment      Enforcement

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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**Purpose of Inspection:**

The purpose of the inspection was to measure vegetation cover in the reclaimed area and see if it meets revegetation success standards.

**Inspection Summary:**

I measured cover of perennial vegetation in five areas of the mine and two undisturbed areas. I made ocular estimates of cover in 10-39 quadrats in each of these areas. The quadrats were each about one square yard.

The undisturbed areas were a hill near the dump top and a flat area close to the access road. Both areas are probably representative of premining vegetation. They both have areas of native vegetation with other areas cheatgrass monocultures.

The values obtained are:

Area	Perennial Cover	Acreage
Dump Top	8.18	3.6
Topsoil Access	1.38	0.3
Topsoil	3.20	1.0
Haul Ramp	3.75	1.4
Access Road	3.16	1.0
Undisturbed—Hill	7.43	

Inspection Date: October 19, 2006; Report Date: October 26, 2006

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M0230053

Undisturbed—Flat	5.15	
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The weighted cover value for the mine area is 5.68 percent.

The undisturbed hill corresponds most closely to everything in the disturbed area except the access road to which the undisturbed flat area should be compared. I weighted the cover values for the undisturbed areas according to the corresponding disturbed areas and obtained a value of 7.12 percent cover.

Dominant species in the reclaimed area are crested wheatgrass and fourwing saltbush with some rubber rabbitbrush, Russian wild rye, shadscale, and bluebunch wheatgrass. Rubber rabbitbrush was most common in areas with a lot of rocks or gravel, and there was little grass and few weeds in these areas. Every reclaimed area except the topsoil access road has a lot of weeds, especially cheatgrass, halogeton, and annual mustards.

Bluebunch wheatgrass appears to be the dominant native grass where it exists, but it has been mostly replaced by cheatgrass.

Black sage and cheatgrass are the dominant species in the undisturbed area. Other common species include winterfat, horsebrush, and shadscale.

**Conclusions and Recommendations:**

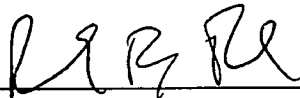
Based on the values I obtained for the undisturbed area, the revegetation success standard would be 70 percent of 7.12 or 4.98 percent. If this standard is used, the site meets the revegetation release standard.

According to the mine plan, cover in undisturbed areas is 29 percent, so the success standard would be 20.3 percent. Since the mine plan does not show cover by species, I do not know what proportion of the premining value is perennial and how much is weeds.

I recommend that the site be released from further revegetation responsibilities under the Mined Land Reclamation Act based on the data I collected. The Division needs to evaluate other aspects of reclamation to ensure they have been properly completed.

Although I believe the site has met the revegetation success criteria, I recommend that the operator reseed the access road. Of the reclaimed and revegetated areas of the mine, I believe this area has the greatest potential for improving the amount of perennial cover. Assuming the Division agrees with my recommendation to release the operator from further revegetation requirements, reseeding this area would be entirely at the operator's discretion.

Inspector's Signature



Date:

11/6/06

PBB:pjb

cc: John Wagner, Brush

Attachment: Photos

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State of Utah

Department of  
Natural Resources

ROBERT L. MORGAN  
*Executive Director*

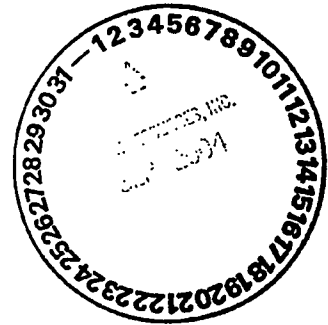
Division of  
Oil, Gas & Mining

LOWELL P. BRAXTON  
*Division Director*

OLENE S. WALKER  
*Governor*

GAYLE F. McKEACHNIE  
*Lieutenant Governor*

August 30, 2004



Alex Boulton  
Brush Resources, Inc.  
P.O. Box 815  
Delta, Utah 84624

Subject: Partial Release of Surety, Brush Resources, Inc., Hogsback Project,  
M/023/053, Juab County, Utah

Dear Mr. Boulton:

On January 23, 2004, we received your annual report wherein you stated that reclamation of your 18 acres of disturbance was completed. You requested release of the site and your surety bond. Before we could entertain your request, a site inspection needed to be performed, which was done on May 3, 2004 (copy of inspection report attached).

The inspection revealed that the site has been adequately regraded and seeded. However, the rules state that a site must survive three growing seasons following the last major seeding and attain 70% revegetation success before full release of the site can be granted.

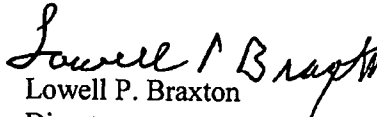
Therefore, the Division is willing to allow partial release of the existing \$47,600 surety and only retain an amount sufficient to cover the revegetation. Therefore, you may provide a rider to the existing Travelers Casualty surety bond reducing the bond amount to a new total of \$7,700 (estimate attached). No other paperwork would be required to accomplish this.

If you wish to post another form of surety for the revegetation amount, we could fully release the Travelers surety bond after the Division Director approved of the new form of surety. If you choose another form of surety, a new Reclamation Contract would be required to be submitted which is directly tied to the surety.

Alex Boulton  
Page 2 of 2  
M/023/053  
August 30, 2004

Thank you for your efforts in completing the regrading work at this site. If you have any questions or concerns regarding this letter, please contact Daron Haddock at (801) 538-5325 or Tom Munson at 538-5321. In reply please reference our file number M/023/053.

Sincerely,

  
Lowell P. Braxton  
Director

LPB:DRH:TM:jb  
Attachment: 5/3/04 inspection report. cost estimate  
O:\M023-Juab\M0230053-Hogsback-brush\final\partialial-release-08302004.doc